(b) Assistance is provided for development of common infrastructure and facilities, *inter alia* including, compound wall, roads, drainage, water supply, electricity supply including captive power plant, effluent treatment, testing laboratory, design centre, training centre, trade centre/display centre, ware housing facility/raw material deport, creche, canteen, workers hostel, offices of service providers, labour rest and recreation facilities and factory buildings for production purposes.

(c) The number of entrepreneurs in each Integrated Textile Park (ITP) varies from project to project.

(d) So far 26 projects have been approved under the SITP. State-wise location is—Andhra Pradesh (4), Gujarat (6), Karnataka (1), Maharashtra (6), Rajasthan (2), Tamil Nadu (5), Uttar Pradesh (1) and West Bengal (1).

Problems of textile sector

252. SHRIMATI MOHSINA KIDWAI:
SHRI VIJAY J. DARDA:

Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that despite signs of resurgence, the textile sector is riddled with problems with roots in irrational policies and allocation of funds;

(b) if so, the details thereof; and

(c) what action Government propose to take in this matter?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) The Indian textile sector being very vast and varied, it is but natural that it is riddled with some or the other problem at any given point of time. However, the problems which may be treated as major ones are as follows:—

- Technological obsolescence;
- Small size of units;
- Fragmentation;
- High power tariffs with uncertain power supply;

- Lack of credit availability;
- Poor marketability;
- Low HRD skill levels and poor quality consciousness;
- Weak processing sector resulting in dependence on other countries for processing;
- Restrictive labour regulations inhibiting the expansion of knitting and garment units thereby restricting growth of both—exports and employment;
- Infrastructural constrants/bottlenecks; etc.

(c) The important measures taken by the Government in the recent past to help the Indian textile sector are given in the Statement.

Statement

important measures taken by the Government in the recent past to help the textile section

(i) To improve productivity and quality of cotton for manufacture and export of competitive downstream textile products, Government has launched the Technology Mission on Cotton (TMC). The Mission has achieved success in increasing the productivity and reducing the contamination through upgradation of cotton market yards and modernisation of Ginning & Pressing factories.

(ii) The Technology Upgradation Fund Scheme (TUFS) was launched to facilitate the modernisation and upgradation of the textile industry both in the organised and unorganized sector. The scheme has been further fine tuned to increase the rapid investments in the targeted sub-sectors of the textile industry. The cost of machinery has been further brought down by reducing the customs duty on imports.

(iii) For speedy modernisation of the textile processing sector, Government has introduced *w.e.f.20*04.05, a credit linked capital subsidy scheme @ 10% under TUFS, in addition to the existing 5% interest reimbursement.

(iv) For small scale textile and jute industrial units, Government has enhanced, the rate of Credit Linked Capital Subsidy (CLCS) from 12% to 15% *w.e.f.* 13.01.05.

(v) In order to facilitate modernisation of the Powerloom Sector, Schemes such as High-tech Weaving Parks, Modernisation and strengthening of Powerloom Service Centres, Group Workshed Scheme and Credit Linked Capital Subsidy Scheme @ 20% have been introduced. Also, the Government has enhanced, *w.e.f.* 13.01.05, the capital ceiling for machinery from Rs. 60.00 lakh to Rs. 100.00 lakh under 20% capital subsidy scheme -TUFS

(vi) To provide the textile industry with world-class infrastructure facilities for setting up their textile units meeting international environmental and social standards, a Public Private Partnership (PPP) based Scheme Know as the "Scheme for Integrated Textile Park (SITP)" has been introduced in August 2005.

(vii) In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty. In 2005-06 budget, Central Value -aided Tax (CENBVAT) on Polyester Filament Yarn has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.

(viii) To facilitate import of state of the art machinery to make our products internationally competitive in post quota regime, in 2005-06 Budget, the customs duty on textile machinery has been brought down to 10% except 23 machinery appearing in List 49 which attracts Basic Customs Duty (BCD) of 15%. The concessional duty of 5% continues to be at 5% on most of the machinery items.

(ix) In 2005-06 Budget, 30 items of knitting and knitwear have been dereserved. This would facilitate setting up of large sized modernized units for meeting the international competition.

(x) In the budget 2006-07 the following announcements for the textile sector has been made:—

- Reduction in the excise duty on all man-made fibre yarn and filament yarn from 16 per cent to 8 per cent.

- Reduction in the import duty on all man-made fibres and yarns from 15 per cent to 10 per cent.
- Reduction in the import duty on raw materials such as BMT, PTA and MEG be from 15 per cent to 10 per cent.
- Enhancing the allocation from Rs. 435 crore to Rs. 535 crore for the year 2006-07.
- Enhancement in the provision for the handloom sector from Rs. 195 crore to Rs.241 crore for the year 2006-07.
- Provision of Rs. 189 crore during 2006-07 for the Scheme for Integrated Textiles Parks (SITP).
- Launching of the Jute Technology Mission in 2006-07 to harness the potential of the golden fibre alongwith establishment of a National Jute Board.

(xi) Government has launched the Debt Restructuring Scheme *w.e.f.* Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.

(xii) In order to cater to the growing skilled manpower requirements at shop floor level, Government is providing assistance for strengthening existing and opening new Apparel Training and Design Centres (ATDCs).

(xiii) Government has allowed 100% Foreign Direct Investment in the textile sector under automatic route.

(xiv) Government has de-reserved the readymade garments, hosiery and knitwear from SSI sector so that large scale investments may be encouraged in these sectors.

(xv) National Institute of Fashion Technology (NIFT) has been set up to provide the leadership role in sensitizing the Industry to the concept of value addition by inducting trained professionals to manage the industry. This has resulted in an increased demand for trained professionals in various sectors servicing the industry.

(xvi) To take a serious look at Fashion Education in the changing business context of the opening up of World Economies,

Government is taking steps for:—

/ Establishing an institution of National Excellence for imparting Fashion Business Education with International Benchmarking.

/ Appointing a nodal agency for standardizing and benchmarking Fashion Business Education in the country.

/ Setting up an Apex Body to train the teachers/ trainers imparting Fashion Business Education in the country.

Financial assistance to weavers

†253. SHRI RAJ MOHINDER SINGH MAJITHA:

SHRI RAM JETHMALANI:

Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that Government have formulated any scheme to provide financial assistance to the weavers to promote the use of developed technique in the handloom sector under the textile industry;

(b) if so, the outline of the scheme; and

(c) by when the said scheme will be started?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) to (c) The Government of India has been implementing various Schemes to promote use of modern and upgraded technology in the Handloom Sector. Deen Dayal Hathkargha Protsahan Yojana (DDHPY) provides basic inputs (handlooms, dobby, jacquard, accessories), Computer Aided Textile Design System, setting up of a Common Facility Centre etc., Integrated Handloom Training Project Scheme provides handlooms, dyeing kit etc., Handloom Export Scheme provides assistance towards modification of handlooms, quality control, setting up of value addition units etc., Research and Development Scheme provides for development of new technology in Handloom Sector to keep pace with the fast changing developments in the global scenario. Recently, Government has introduced Integrated Handloom Cluster Development Scheme, which provides financial assistance towards integrated and holistic development of handloom cluster.

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†Original notice of the question was received in Hindi.